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FISCAL IMPACT STATEMENT

LS 6269

BILL NUMBER: SB 34

NOTE PREPARED: Nov 23, 2014

BILL AMENDED:

SUBJECT: State Police Pension Fund Trustee.

FIRST AUTHOR: Sen. Boots

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill provides that, after June 30, 2015, the trustee of the State Police Pension Trust and the State Police Benefit Fund is the board of trustees of the Indiana Public Retirement System (INPRS).

Effective Date: July 1, 2015.

Explanation of State Expenditures: INPRS will assume the duties and responsibilities as trustee, which include the investment and management of the assets of the State Police Retirement System. INPRS is to consult with the State Police and the Pension Advisory Board in connection with these duties and responsibilities. Additionally, INPRS is to prepare and file a detailed annual report on the System with the State Police and the Department of Insurance within 90 days after the close of each fiscal year.

Up-front costs to INPRS from the bill would be primarily technological in nature and are expected to be roughly \$10,000. Ongoing administrative costs will include finance and investment salary expenses and investment consulting fees. The State Police Retirement System will share in these administrative expenses incurred each year (INPRS will charge these expenses to the System, as appropriate).

Additional Information: Current law states that the Treasurer of State is the trustee of the State Police Retirement System. The System consists of two plans, the Pre-1987 Plan (a 20-year retirement plan) and the 1987 Plan (a 25-year retirement plan). Currently, the System has 1,234 active members and 1,219 total retirees. As of July 1, 2013, the System had \$434.3 M in assets and a funded ratio of 83%. The actuarial interest rate/target investment rate of return for the System is 6.75%.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: INPRS, Indiana State Police, Indiana Department of Insurance.

Local Agencies Affected:

Information Sources: Tony Green, INPRS, agreen@inprs.in.gov; *Indiana State Police Presentation to Pension Management Oversight Committee, August 26, 2014* (<https://iga.in.gov/documents/4c817650>).

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